

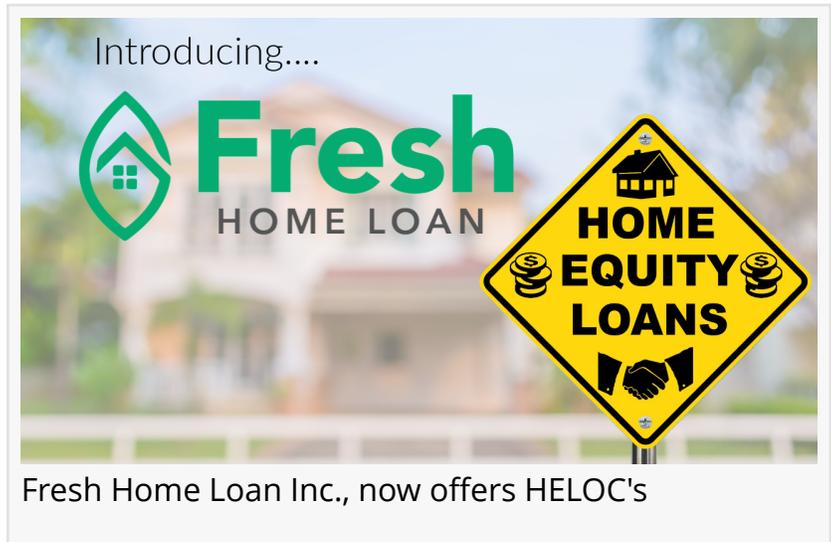
Fresh Home Loan explains the 3 Things to Look Out for When Getting a Home Equity Line of Credit

With Mortgage Interest Rates Doubling Earlier this Year and Equity Being at an All Time High. A Home Equity Line of Credit is a Solid Choice for Homeowners...

ALAMEDA, CALIFORNIA, UNITED STATES, August 24, 2022

/EINPresswire.com/ -- The 3 Things to Look Out for When Getting a [Home Equity Line of Credit](#) in California.

With first mortgage interest rates doubling earlier this year and equity being at an all time high...for now. A Home Equity Line of Credit is the solid choice for homeowners looking to do home improvements, debt consolidation, or even just to have for unforeseen expenses and emergencies.



“

The process is pretty quick and painless. We have been offering these for awhile now while many other brokers are jumping on the bandwagon.”

*Garrick Werdmuller,
President/CEO Fresh Home
Loan*

“The process is pretty quick and painless” explains [Garrick Werdmuller, President, and CEO of Fresh Home Loan Inc.](#) “It is a loan, we will need tax returns and paystubs and all that fun stuff, but appraisals are typically not needed, and the process can be as quick as a 30-day close.”

What is a Home Equity Line of Credit?

A home equity line of credit, or HELOC, is a second mortgage that gives a homeowner access to cash based on the value of ones’ home. A borrower can draw from a home equity line of credit and repay all or some of it

monthly, somewhat like a credit card.

With a HELOC, one can borrow against the home equity, which is the home’s value minus the amount one owes on the primary mortgage. You can also get a HELOC if the home is owned

outright, in which case the HELOC is the primary mortgage rather than a second one.

The three things to look out for:

1. **IT IS AN ADJUSTABLE LOAN:** A home equity line of credit or HELOC is tied to the Prime Rate of index which rises and falls with the Federal funds rate. The Prime Index is 3% above the federal funds rate. A HELOC has a margin over and above the Prime Rate which becomes a borrower's actual rate.

2. **KNOW YOUR MARGIN:** A "margin" on a HELOC or Home Equity Line of Credit is the difference between the Prime Rate of Index and your actual rate. The actual rate is PRIME + the margin. The margin varies depending on the lender you choose, your equity, and the amount of credit you choose to seek.

3. **KNOW YOUR CLOSING COSTS & PENALTIES:** Beyond the Rate and Margin, your HELOC will have closing costs and penalties. Make sure you go over the estimates with your loan officer and make sure you are aware of anything that can happen with closing the line "early".

Program Highlights:

- o Purchase and Standalone Seconds.
- o 89.99% Loan to Value
- o First and Second Homes
- o Minimum Fico 680
- o Line Amounts up to \$500,000
- o Interest-Only Payments Available

A \$50,000 minimum draw is required and can be paid back after the first payment. The loan is a 30-year term with a 10-year interest-only period and a 20-year term payback after the first 10 years.



Home Equity Lines Explained



Garrick Werdmuller, President and CEO Fresh Home Loan Inc

Great for:

- o Home Improvement
- o Debt Consolidation
- o Emergency Funds
- o Bridge Funds for a Home Purchase
- o Purchase Financing to Avoid Mortgage Insurance

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For more information or to get a rate quote please visit: <https://freshhomeloan.com/heloc/>

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